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1975-1977

BIENNIAL REPORT
1975-1976
1976-1977

Department of
Treasurer and Tax Collector

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H. B. Alvord
Treasurer and Tax Collector



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H.B. ALVORD
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES
DEPARTMENT OF THE TREASURER AND TAX COLLECTOR

HALL OF ADMINISTRATION
225 NORTH HILL STREET
P.O. BOX 2102 TERMINAL ANNEX,
LOS ANGELES, CALIFORNIA 90051
(213) 974-2101

B.J. NUREMBERG
CHIEF DEPUTY

Honorable Board of Supervisors
County of Los Angeles
383 Hall of Administration

Gentlemen:

We are submitting our Biennial Report for the Department of Treasurer and Tax Collector for the fiscal years 1975-76 and 1976-77 in compliance with the Administrative Code of the County of Los Angeles.

The following pages provide an outline of our responsibilities, accomplishments over the last two fiscal years, future goals and the volume of our transactions.

Sincerely yours,

A handwritten signature in cursive script, reading "H. B. Alvord".

H. B. ALVORD
TREASURER AND TAX COLLECTOR

HBA:naf

BIENNIAL REPORT
FISCAL YEARS 1975-76 & 1976-77
DEPARTMENT OF TREASURER & TAX COLLECTOR
DEPARTMENTAL RESPONSIBILITIES

INTRODUCTION

The County Treasurer, a charter officer, carries out the responsibilities of Treasurer, Tax Collector and License Collector and as specified in State Law, is administrative officer for the Los Angeles County Employees' Retirement Association and member of the Board of Retirement and the Board of Investments. We have divided our objectives into four basic missions as follows:

TREASURY OBJECTIVE

It is the Department's objective to administer and manage the County Treasury, providing for the collection, custody, investment, and disbursement of all County general, trust, school, and special district funds. With this objective, four basic programs are utilized:

1. Banking Program - To receive, cash, and process warrants and provide all the necessary banking services for the County. Custody of all securities is also provided by this program.
2. Investment Program - To insure that all surplus monies in all funds of which the Treasurer is responsible are invested quickly using good judgment to maximize interest earnings and to provide adequate safety and liquidity.

3. Street Bond Program - To administer the 1911 and 1913 Improvement Act for the County insuring timely collection of payments and prompt payment of bonds.
4. Bond Registration Program - To register County and School District General Obligation and Revenue Bonds to minimize the cost of handling and make the sale thereof more attractive.

TAX COLLECTION OBJECTIVE

This Department's main objective in the area of tax collection is to bill and collect the current and delinquent taxes on all real property and on secured and unsecured personal property with the utmost speed in processing so as to maximize interest earnings on the funds collected. Collection of Transient Occupancy Tax under County Ordinance "Uniform Occupancy Tax Ordinance" (No. 8607) and the Inheritance Tax as agent for the State is a smaller objective in this area. The following programs are utilized:

1. Real Property Taxes Program - To bill the person responsible and collect all current and delinquent secured property taxes. To enforce collection by sale at public auction or agency sale for failure to pay delinquent taxes within time limits as prescribed by law. To advise and notify property owners as to the tax status of their property.
2. Personal Property Taxes Program - To bill and collect current and delinquent unsecured property taxes. To enforce collection of delinquent taxes by seizure of property, court action and/or recording liens when necessary.

3. Tax Deeded Property Management Program - To manage property deeded to the State as a result of delinquent taxes by maintaining the property, negotiating leases and collecting rent for the occupancy of the property.
4. Inheritance Tax Program - To perform the necessary investigation of safe deposit boxes and provide for the eventual release of assets to the heirs and make the ultimate collection of the tax as an agent for the State.
5. Transient Occupancy Tax - To bill and collect from all eligible businesses liable for this tax and to enforce collections when necessary.

LICENSE COLLECTION OBJECTIVES

This objective is to administer the business and public health licensing ordinances of the County of Los Angeles. This is done through a program which allows for the taking of applications, prompt billing, fast collection, and enforcing collection to insure complete coverage of all persons required to be licensed.

RETIREMENT ADMINISTRATION OBJECTIVE

This objective is to administer the County Retirement System formed under the 1937 Retirement Act and augmented by the OASDI and carry out the investment decisions of the Board of Retirement through two main programs which are as follows:

1. Administrative Program - To provide for the necessary record keeping of all actuarial data regarding Retirement Systems members, both active and retired, and to insure retired members receive benefits due them.

2. Portfolio Management Program - To invest retirement funds in legally authorized investment which will maximize interest earnings and provide adequate safety and security for members and County contributors.

HIGHLIGHTS AND STATISTICS

INTRODUCTION

This section of the Biennial Report of the Department of Treasurer and Tax Collector provides you with a brief outline of the Department's significant achievements during the past two years and includes tables containing statistical materials reflecting the various activities of the Department.

CASH MANAGEMENT

The Department designed and installed a check encoding system which provides for earlier deposits of collections to the Treasurer's account. This system has substantially increased interest earnings because of the earlier investment of collections and the elimination of compensatory balances.

We have also designed and installed a computerized portfolio management system giving us the ability to make timely trades providing for a substantial increase in Trading Account profits.

TAX ANTICIPATION NOTES

With the approval of your Board, this Department implemented the issuing of \$350 million in Tax Anticipation Notes resulting in a one-year savings of \$7.4 million to local taxpayers.

DEFERRED COMPENSATION PROGRAM

This program was implemented by the Department after your Board amended the Administrative Code to provide this service. There are 1,410 participants in the program.

PROPERTY DATA BASE

This Department has furnished personnel and substantial input for the development of a County-wide property data base which will result in significant savings in the future upon implementation and better service to taxpayers by providing instantaneous retrieval of the information.

INHERITANCE TAX

This Department provided the necessary impetus for the increase in commissions earned by the Department in the handling of the State Inheritance Tax program for this County.

GOALS

IMPROVEMENT OF CASH FLOW

The installation and implementation of a new check encoding system for the processing of all tax and license payments beginning with the first installment of 1977 secured taxes. This will result in a reduction of clerical costs and increased interest earnings on tax collections because of our ability to obtain same-day credit for deposits.

REORGANIZATION

To implement the reorganization approved by the Chief Administrative Office in our 1977-78 Budget. This will result in the immediate reduction of the Department's staffing by one position. In combining like functions, we expect greater productivity and increased public service.

LEGISLATION

To continue to seek legislation in order to broaden investment opportunities of pool funds consistent with sound investment practices.

AFFIRMATIVE ACTION

To exceed targets set in our Affirmative Action goals and timetables with special emphasis in moving female and minority groups up the promotional ladder with the objective of placing them in upper level supervision and management levels.

TABLE I

COMPARATIVE STATEMENT OF ACTIVITYFISCAL YEARS 1975-76 THRU 1976-77

<u>Activity</u>	<u>1975-76</u>		<u>1976-77</u>	
	<u>Volume</u>	<u>% Increase or (Decr.)</u>	<u>Volume</u>	<u>% Increase or (Decr.)</u>
<u>Treasurer Operations</u>				
Receipts	\$8,931,166,660	15.51	\$9,650,860,214	8.06
Disbursements	\$8,874,108,299	14.50	\$9,564,108,142	7.78
Warrants Honored	12,116,457	.51	12,580,613	3.83
Special Assessment Bonds Issued	87	(89.29)	160	83.9
<u>Tax Collection Operations</u>				
Secured Bills	1,896,753	.62	1,913,138	.86
Unsecured Bills	311,395	2.26	331,613	6.49
Tax Payments Processed	4,038,214	1.18	4,058,464	.50
Parcels Published as Delinquent - Secured	31,776	(12.53)	37,481	17.95
Delinquent Items Unsecured	43,646	(8.2)	48,533	11.2
Redemption Certificates Issued	38,079	3.81	38,632	1.45
Current Secured Parcels Delinquent	65,461	(4.6)	66,555	1.67
Parcels Sold at Public Auction	608	(32.29)	715	17.6
Parcels Sold by Agreement Sale	47	(61.48)	65	38.3
Parcels Sold by Sealed Bids	120	-	108	(1.0)
<u>Inheritance Tax Administration</u>				
Deposit Box Examination	13,032	(.83)	12,853	(1.37)
<u>License Collection Operations</u>				
Public Health Licenses	94,888	7.6	99,400	4.76
Business Licenses	19,760	14.65	21,382	8.2
Transient Occupancy Tax Payments	500	(10.7)	484	(3.2)

TABLE II
COMPARATIVE STATEMENT OF COLLECTIONS
FISCAL YEARS 1975-76 AND 1976-77

<u>TAXES</u>	<u>1975-76</u>	<u>1976-77</u>
Secured Taxes	\$2,562,995,001	\$2,931,351,863
Unsecured Taxes	337,683,777	372,420,620
Redemptions	56,505,510	68,149,546
Penalties	3,758,075	4,485,389
Tax Sales	842,533	1,153,844
Land Rentals	136,128	133,695
Livestock Fees	17,492	15,280
Racehorse Tax	<u>42,792</u>	<u>39,591</u>
<u>TOTAL TAXES</u>	\$2,961,981,308	\$3,377,749,828
<u>TRUST FUNDS</u>		
Inheritance Tax	\$ 105,755,975	\$ 110,016,330
Interest on Investments (Schools and other Agencies)	67,389,857	45,909,521
Deceased Persons Estates	448,370	411,948
Unclaimed Property	3,047	75
Parking Meters	77,125	79,531
Over Collections	8,147,049	8,099,584
Double Collections	980,355	1,344,599
Other Trust Items	<u>156,829</u>	<u>427,589</u>
<u>TOTAL TRUST ITEMS</u>	\$ 182,958,607	\$ 166,289,177
<u>GENERAL FUND</u>		
Transient Occupancy Tax	\$ 681,036	\$ 781,150
Business Licenses	541,270	632,961
Public Health Licenses	4,348,964	4,983,596
Investment Interest	244,480	8,884,791
Charges for Current Services	371,032	775,494
Delinquent List Costs	134,241	146,409
Collection Costs	16,276	29,195
Other Revenue	<u>15,961</u>	<u>5,492</u>
<u>TOTAL GENERAL FUND</u>	\$ 6,353,260	\$ 16,239,088
<u>TOTAL COLLECTED</u>	\$3,151,293,175	\$3,560,278,093

TABLE III
SUMMARY OF TAX CHARGES AND DELINQUENCIES

SECURED ROLL

<u>Roll Years</u>	<u>Original Tax Charge</u>	<u>Unpaid After First Year</u>		<u>Unpaid-June 30, 1977</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
1930-39 *	\$1,084,837,092	\$87,313,572	8.05	294	-
1940-49 *	1,644,108,440	35,893,168	2.18	7,805	-
1950-59 *	4,742,884,057	63,002,369	1.33	71,630	-
1960-61	777,635,906	11,994,591	1.54	910	-
1961-62	857,839,923	12,671,877	1.48	568	-
1962-63	914,143,686	14,744,969	1.613	697	-
1963-64	996,991,395	16,747,267	1.727	1,103	-
1964-65	1,071,027,481	23,475,476	2.192	1,842	-
1965-66	1,157,595,049	31,261,779	2.701	4,484	-
1966-67	1,274,906,973	37,939,049	2.976	13,824	-
1967-68	1,367,424,648	30,766,461	2.250	23,836	-
1968-69	1,533,492,430	28,128,984	1.834	205,201	.013
1969-70	1,624,870,409	31,214,031	1.921	663,737	.041
1970-71	1,943,934,674	38,166,475	1.963	1,701,961	.088
1971-72	2,152,375,975	41,441,376	1.925	3,559,725	.165
1972-73	2,203,509,723	42,527,452	1.925	6,071,398	.276
1973-74	2,119,222,015	42,030,022	1.983	8,273,194	.390
1974-75	2,397,838,263	54,756,556	2.284	13,660,685	.570
1975-76	2,618,289,950	55,294,949	2.112	20,478,940	.782
1976-77	2,981,247,906	49,896,043	1.674	49,896,043	1.674

* 10 Years Combined

TABLE IV
(SUMMARY OF TAX CHARGES AND DELINQUENCIES

UNSECURED ROLL

<u>Roll Years</u>	<u>Original Tax Charge</u>	<u>Unpaid After First Year</u>		<u>Unpaid June 30, 1977</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
1946-49 *	\$86,968,518	\$ 933,136	1.07	908,978	1.04
1950-59**	560,610,784	4,323,417	.77	2,818,559	.50
1960-61	122,780,331	1,148,567	.94	698,292	.569
1961-62	122,366,352	1,942,595	1.59	789,309	.645
1962-63	133,139,080	1,756,870	1.32	798,278	.600
1963-64	142,576,604	1,455,237	1.02	686,321	.481
1964-65	112,185,841	1,125,276	1.00	516,352	.460
1965-66	127,018,816	707,139	.56	427,963	.337
1966-67	143,009,276	895,040	.63	456,172	.319
1967-68	167,093,243	1,107,419	.66	713,445	.427
1968-69	180,172,720	952,680	.53	580,928	.322
1969-70	206,244,709	1,426,401	.69	668,399	.324
1970-71	215,096,790	2,191,408	1.02	1,127,382	.524
1971-72	251,976,067	2,249,631	.89	1,537,590	.610
1972-73	284,862,219	2,594,214	.91	1,741,059	.611
1973-74	263,134,903	3,818,540	1.45	2,432,888	.925
1974-75	274,952,031	4,463,691	1.62	2,871,014	1.044
1975-76	345,117,852	13,411,545 ***	3.89	11,664,886	3.380
1976-77	396,073,758	25,658,338 ****		25,658,338	6.478

* 4 Years Combined

** 10 Years Combined

*** Unpaid includes Glomar Explorer assessment in the amount of \$7,515,017.

**** Unpaid includes Escaped Import assessments of between 18 and 20 million dollars.

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